

HHS CALL WITH STATE OFFICIALS

SUMMARY

April 29, 2010

HHS held their weekly conference call with state implementers on Wednesday, April 29. Secretary Sebelius spoke briefly at the outset of the call to announce that the Department would be issuing regulations next week for the web portal and the temporary reinsurance program for early retirees. The new CMS chief of staff, Caya Lewis, gave a brief update on Medicaid implementation issues, and the remainder of the call was devoted to questions and answers, mainly regarding the temporary high risk pool program.

Q: May states use factors besides the whether and individual has a preexisting condition and has been uninsured for 6 months, such as income level, in their eligibility criteria for coverage in a HRP program?

A: The statute is silent on this matter, so HHS encourages states to make their best cases in their contract proposals if they want to include additional criteria.

Q: May federal funds be used to subsidize coverage that is available to all, such as coverage through Massachusetts' CommonwealthCare program?

A: Federal funds could be used to subsidize coverage that is purchased through such a program, if it meets the statutory requirements for coverage, but could only be obtained for those individuals who meet the statute's eligibility criteria.

Q: Is there any flexibility in the definition of an uninsured individual that could be used to include underinsured individuals in the program?

A: It is possible, and states should make their best case, though HHS suspects that the deductible on a policy would have to be very high in order to make this case.

Q: Could a state require individuals who leave the temporary high risk pool program to go to the end of a waiting list if they wish to reenroll?

A: Yes, a state could do this.

Q: May states require that individuals enroll in other coverage if it is available to them?

A: There is nothing in the statute that would preclude such a requirement.

Q: What is the baseline for determining the 10% limitation on administrative costs for the pools? Will upfront funding be available for startup expenses?

A: The 10% limitation will be calculated based upon total expenditures over the lifetime of the program, so first year administrative costs could exceed 10%, as long as the total expenditures over the lifetime of the program are below that threshold. Upfront funds will be available to states and should be specified in state proposals.

Q: Would mini-medical plans be considered to be creditable coverage, or would individuals enrolled in these plans be considered uninsured and eligible for pool coverage?

A: HHS would be happy to look at this coverage to determine if it is creditable coverage.

Q: Will the federal government establish reimbursement rates for health care providers under state temporary high risk pool programs?

A: It is very unlikely that the federal government will do so.

Q: Of a state has an existing program that meets the benefit requirements in the statute, could it expand the program to cover eligible individuals?

A: Yes, that is the Department's intention in implementing the program.

The next state implementers call is scheduled for Wednesday, May 5, at 3:30 EDT.